

## Program E: Office of Agro-Consumer Services

Program Authorization: R.S. 376:628(D)

### PROGRAM DESCRIPTION

The mission of the Office of Agro-Consumer Services Program is to regulate weights and measures; license weighmasters, scale companies and technicians; license and inspect bonded farm warehouses and milk processing plants; and license grain dealers, warehouses and cotton buyers. The goal of the Agro-Consumer Services Program is to provide regulatory services to ensure consumer protection for Louisiana producers and consumers. Towards this end, the Agro-Consumer Services Program: (1) regulates the measuring, sampling, testing and transportation of dairy products and audits all processors, distributors and retailers of dairy products; (2) licenses, inspects and audits all grain dealers, warehouses and cotton buyers in the state; (3) certifies and inspects all commercially used weights, measures and weighing and measuring devices, including product scanners and motor fuel pumps; (4) licenses scale companies and technicians; (5) provides price stability in the marketplace and assures an environment for fair and equal competitiveness as provided under Dairy Stabilization Board rules and regulations; (6) maintains the official state standards of mass, length and volume, which are traceable to the National Institute of Standards & Technology; (7) maintains a more current pricing of milk in the market place as prices respond to fluctuations at farm level; and (8) provides grain inspection to protect the grain elevator industry and grain producers. The activities of this program are: Administrative, Weights and Measures Agricultural Commodities, and Dairy Stabilization Board.

### OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To ensure, through the requirement of bonding or through financial regulation, that all farmers are fully compensated for their agricultural products in commercial facilities.

Strategic Link: This objective accomplishes Strategic Objective 1 - To provide an effective program of regulation for the Louisiana grain and cotton industry in order for the producers to sell and/or store their agricultural products to bonded warehouses and grain dealers.

Explanatory Note: Commercial facilities include grain elevators, rice mills, warehouses and dairy processors. The possibility exists that companies may fail to completely compensate farmers with products in their facilities in cases of financial strain.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of farmers not fully compensated for their products in regulated facilities	0	0	0 <sup>1</sup>	0	0	0
S	Number of facilities regulated	Not applicable <sup>2</sup>	176	166 <sup>1</sup>	166	176	176
S	Number of audits performed on facilities	Not applicable <sup>2</sup>	209	148 <sup>1</sup>	148	209	209
S	Value of products protected (Millions)	Not applicable <sup>2</sup>	\$1,225	\$960 <sup>1</sup>	\$960	\$1,225	\$1,225
S	Cost per \$1000 value of products protected	Not applicable <sup>2</sup>	\$1.80	\$1.20 <sup>1</sup>	\$1.20	\$1.80	\$1.80

<sup>1</sup> Dairy services were originally not included when calculating standards for Act 10.

<sup>2</sup> This is a new indicator that did not appear in the Act for this fiscal year.

2. (KEY) To hold the number of verified complaints of deceptive commercial transactions under regulation of the program to 525.

Strategic Link: This objective accomplishes Strategic Objective 3 - To inspect all weighing, measuring, metering, scanning and packaging devices used commercially to ensure that equity prevails for buyers and sellers statewide.

Explanatory Note: Deceptive commercial transactions include inaccurate weights, measures, and labeling.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of verified complaints	Not applicable <sup>1</sup>	490	525	525	525	525
S	Number of weighing/metering devices inspected	Not applicable <sup>1</sup>	127,332	131,500	131,500	131,500	131,500
S	Number of prepackaged commodities tested	Not applicable <sup>1</sup>	460,000	474,000	474,000	474,000	474,000
S	Number of violations detected <sup>2</sup>	Not applicable <sup>1</sup>	43,876	44,000	44,000	44,000	44,000
S	Percentage of commodities in violation	Not applicable <sup>1</sup>	10%	9%	9%	9%	9%

<sup>1</sup> This is a new indicator that did not appear in the Act for this fiscal year.

<sup>2</sup> This indicator includes violations detected as a result of both routine inspections and complaints.

3. (KEY) To maintain a fair market system in the sale of dairy products that results in no legal challenges to the program's enforcement efforts.

Strategic Link: This objective accomplishes Strategic Objective 2 - To provide an effective program of regulation for the Louisiana dairy industry in order to eliminate waste and to assure a continued supply of high quality dairy products at fair and reasonable prices.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of legal challenges to program enforcement efforts	Not applicable <sup>1</sup>	0	0	0	0	0
S	Incidents of possible unfair practices investigated	Not applicable <sup>1</sup>	346	275	275	300	200
S	Number of violations confirmed	Not applicable <sup>1</sup>	34	40	40	40	20
S	Maximum number of working days to begin investigation of complaints.	Not applicable <sup>1</sup>	2	2	2	2	5

<sup>1</sup> This is a new indicator that did not appear in the Act for this fiscal year.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$1,166,128	\$1,112,998	\$1,112,998	\$1,633,493	\$1,126,751	\$13,753
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	2,137,573	2,495,322	2,495,322	2,394,298	2,294,298	(201,024)
Statutory Dedications	648,872	800,000	800,000	800,000	800,000	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	39,915	102,822	102,822	102,822	102,822	0
TOTAL MEANS OF FINANCING	<u>\$3,992,488</u>	<u>\$4,511,142</u>	<u>\$4,511,142</u>	<u>\$4,930,613</u>	<u>\$4,323,871</u>	<u>(\$187,271)</u>
EXPENDITURES & REQUEST:						
Salaries	\$2,470,585	\$2,778,436	\$2,778,436	\$2,888,134	\$2,661,714	(\$116,722)
Other Compensation	111,718	114,000	114,000	114,000	114,000	0
Related Benefits	419,683	460,686	460,686	474,179	458,769	(1,917)
Total Operating Expenses	712,662	713,988	850,948	867,967	782,316	(68,632)
Professional Services	77,033	136,329	136,329	139,056	136,329	0
Total Other Charges	6,494	30,903	15,321	15,321	15,321	0
Total Acq. & Major Repairs	194,313	276,800	155,422	431,956	155,422	0
TOTAL EXPENDITURES AND REQUEST	<u>\$3,992,488</u>	<u>\$4,511,142</u>	<u>\$4,511,142</u>	<u>\$4,930,613</u>	<u>\$4,323,871</u>	<u>(\$187,271)</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	74	71	71	71	70	(1)
Unclassified	5	13	13	13	13	0
TOTAL	<u>79</u>	<u>84</u>	<u>84</u>	<u>84</u>	<u>83</u>	<u>(1)</u>

The Total Recommended amount above includes \$4,321,621 of supplementary recommendations for Agro-Consumer Services Program These items are contingent upon revenue sources subject to Legislative approval and recognition by the Revenue Estimating Conference.

## SOURCE OF FUNDING

This program is funded with State General Fund, Fees and Self-generated Revenues, Statutory Dedications and Federal Funds. The Fees and Self-generated Revenues are derived from the following: (1) inspection fees for weights and measures scales; (2) funds collected from assessments on sales of milk and dairy products; (3) reimbursement to the department from the Dairy Industry Promotion Board for collection of revenue; (4) industry reimbursed salary costs of poultry graders assigned to plants; (5) fees collected from poultry plants for grading services; and (6) fees generated from inspection of fruits and vegetables. Statutory Dedications are derived from the Petroleum Products Fund (previously located in DOTD). (Per R. S. 39:32B(8), see table below for a listing of each statutory dedicated fund.) Federal Funds are received from: (1) commodity credit for reimbursement of audit expenses; and (2) USDA reimbursement for sampling commodities.

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
Petroleum and Petroleum Products Fund	\$648,872	\$800,000	\$800,000	\$800,000	\$800,000	\$0

# ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$1,112,998	\$4,511,142	84	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$1,112,998	\$4,511,142	84	EXISTING OPERATING BUDGET – December 3, 1999
\$71,579	\$71,579	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$36,822	\$36,822	0	Classified State Employees Merit Increases for FY 2000-2001
\$155,422	\$155,422	0	Acquisitions & Major Repairs
(\$54,398)	(\$155,422)	0	Non-Recurring Acquisitions & Major Repairs
(\$132,954)	(\$132,954)	0	Salary Base Adjustment
(\$62,718)	(\$62,718)	0	Attrition Adjustment
\$0	(\$100,000)	(1)	Other Adjustments - Reductions for Dairy Price Enforcement
\$1,126,751	\$4,323,871	83	TOTAL RECOMMENDED
(\$1,124,501)	(\$4,321,621)	(83)	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$2,250	\$2,250	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$1,124,501	\$4,321,621	83	Funding provided for basically the entire Program.
<b>\$1,124,501</b>	<b>\$4,321,621</b>	<b>83</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$1,126,751</b>	<b>\$4,323,871</b>	<b>83</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 95.8% of the existing operating budget. It represents 87.0% of the total request (\$4,969,657) for this program. Net reductions in this program are primarily attributable to the elimination of funding for funding and one position in the Dairy Pricing Enforcement Unit to levels as indicated by performance indicators.

### PROFESSIONAL SERVICES

\$122,129	Legal Services - Representation of the Department in all legal proceedings and any services deemed appropriate and necessary to carry out the mission of the Department
\$14,200	Contractual services for Court reporters, witnesses, etc.
<b>\$136,329</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

### OTHER CHARGES

This Program does not have funding for Other Charges for Fiscal Year 2000-2001.

#### Interagency Transfers:

\$12,290	Department of Civil Service
\$3,031	Department of Treasury

**\$15,321 SUB-TOTAL INTERAGENCY TRANSFERS**

**\$15,321 TOTAL OTHER CHARGES**

### ACQUISITIONS AND MAJOR REPAIRS

\$35,422	Replacement of 2 high mileage vehicles and one 3 ton hoist
\$120,000	Replacement of a International Cab-chass. Tractor Trailer

**\$155,422 TOTAL ACQUISITIONS AND MAJOR REPAIRS**